EXPLORING LINKAGES BETWEEN INVESTOR ATTITUDE AND SUSTAINABLE INVESTING BEHAVIOR

Synopsis

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Contents

S.No.		Pg No.
Section 1	Introduction	1
Section 2	Theoretical background	5-6
	2.1 Historical background	5
	2.2 Terminologies	5
	2.3 Investor Preferences	5
	2.4 Sustainable Finance Investment Strategies	5
	2.5 Sustainable Finance Categories	5
Section 3	Review of Literature and Identification of Research Gap	9-20
	3.1 Classification of Literature Review	9
	3.2 Research Gap	20
Section 4	Conceptual Framework	20-24
Section 5	Overview of Proposed Research	23-25
	5.1 Need of the Study	23
	5.2 Objectives of the Study	23
	5.3 Research Methodology	23
	5.3.1 Scope of the Study	23
	5.3.2 Data Collection	24
	5.3.3 Research Design	24
	5.3.3.1 Research Hypotheses	24
	5.3.4 Sampling Technique	24
	5.3.5 Tools for Data Analysis	24
	5.3.6 Phases of Study	25
Section 6	Proposed Chapterization	25
Section 7	References	25-28

Introduction

By 2045, 9 billion people are projected to inhabit the planet. More of us will be impacted by how our countries are governed, the condition of our environment, and the wellness of the people living in it as people live longer. All nations place a high importance on attracting investment and ensuring that it promotes sustainable development. A new generation of investment policies is starting to take shape. These policies pursue a wider and more complex development policy agenda while creating or preserving an environment that is usually favourable for investments. Inclusive growth and Sustainable Development are at the centre of efforts to draw in and profit from investment in "new generation" investment policies. On the global Sustainable Development Goals (SDG) index, Finland leads the charts, followed by the United States (32) and China (57). India is ranked 120.

Sustainability is quickly rising to the top of the priority list for corporations everywhere, tied to both their corporate branding strategy and shareholder expectations. The modern business organisation must today be more than a revenue- and profit-driven engine. Businesses must now uphold a higher standard of morality and ethics toward society. Investors' perspectives have changed in line with this transition, and their goals now include sustainable growth in addition to the main objective of wealth generation. Boardrooms have taken notice of this and begun implementing procedures to guarantee that these standards are satisfied.

As a part of reporting non-financial performance measures, businesses and organisations have begun to create sustainability reports that reveal their performance on environmental, social, and governance dimensions. Although the Indian government does not require these reports from all businesses, it is strongly advised because such monitoring and accountability inform investors and other stakeholders about the company's ethical business practises.

How does India view ESG compliance?

With the Companies Act of 2013, India became the first nation to require corporate social responsibility. Before being incorporated into the Companies Act of 2013, this principle was first proposed in the National Voluntary Guidelines (NVGs) on Social, Environmental, and Economic Responsibilities of Business, which were published in 2011. Additionally, SEBI mandated the top 500 publicly traded companies in India by market capitalization to report signs of corporate social responsibility and

sustainability through Business Responsibility Reporting (BRR). In India, SEBI acts as a market regulator, overseeing securities and defending the interests of market participants. In addition, SEBI is in charge of putting in place a productive ESG policy mechanism. The Business Responsibility and Sustainability Report (BRSR), which raises India's sustainability reporting to international reporting standards, was described in detail in a circular released by SEBI in 2021. A change from the BRR format is BRSR.

Disclosure requirements under India's new ESG policy:

The Business Responsibility and Sustainability Report (BRSR), which will replace the Business Responsibility Reporting, was introduced in a circular released by SEBI on May 10, 2021. The top 1000 listed companies by market capitalization are required to comply with mandatory ESG policies and requirements set forth in the new reporting format. The format is based on the "National Guidelines on Responsible Business Conduct" nine guiding principles.

Leading international standards, such as the Paris Agreement, the Paris Guiding Principles on Business and Human Rights, and the Core Conventions of the International Labour Organization (ILO), have an impact on the RBC Guidelines. Key sustainability issues like company ethics and transparency, human rights, environmental safety, and fair labour practises are covered in the RBC Guidelines. The reporting style is optional for FY 2021–2022 but required starting in FY 2022–2023 This is done to provide businesses enough time to adjust to the new reporting requirements. However, businesses are urged to embrace the BRSR right away.

The BRSR aims to ensure that companies disclose their ESG metrics and sustainability-related risks in a transparent and standardised manner. This strategy is anticipated to assist businesses in better articulating their sustainability goals, positioning, and performance to the market, generating long-term value and enhancing investors' capacity to make knowledgeable ESG-related decisions.

Table 1: Business Responsibility and Sustainability Reporting in India

Aspects	Disclosure requirements	Principles
General	a) Overview of the company's material environmental, social, and corporate governance risks and opportunities and approach to mitigate or adapt to these ESG risks as well as relevant financial implications	General management and process disclosures

Aspects	Disclosure requirements	Principles
	b) Sustainability related goals and targets and related performance c) Management structures, policies, and processes related to sustainability	
Environment	a) Resource usage (energy and water) and intensity metrics b) Air pollutant emissions c) Greenhouse gas emissions (Scope 1, Scope 2, and Scope 3) d) Waste generated and waste management practices e) Impact on biodiversity	Principle 6: Businesses should respect and make efforts to protect and restore the environment.
Social	***Employees*** a) Gender and social diversity, including measures for differently abled employees b) Turnover rates c) Median wages d) Welfare benefits to permanent and contractual employees e) Occupational health and safety f) Trainings	Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains. Principle 5: Businesses should respect and promote human rights.
	Communities a) Social impact assessments b) Rehabilitation and resettlement c) Corporate social responsibility	Principle 8: Businesses should promote inclusive growth and equitable development.
	Consumers a) Product labelling b) Product recall c) Consumer complaints with respect to data privacy, cyber security, etc.	Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.
Governance	a) Training on the principles stipulated in the "National Guidelines on Responsible Business Conduct" (RBC Guidelines) for members of the Board, senior managers, and employees b) Anti-corruption and anti-bribery policies c) Awareness programs conducted for value chain partners on the principles in the RBC Guidelines	Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

(Source: Mayer Brown)

Big Indian companies are adapting to the ESG:

The key result areas (KRAs) for top management when determining their variable pay have started to include environmental, social, and governance criteria in many prominent Indian corporations. The decision is impacted by investors' growing pressure to direct resources toward investments that produce both financial rewards and social value. Overall, non-financial factors are becoming a more important indicator of material risks and investment growth prospects. The pandemic and the increasingly obvious

costs of climate change have increased the importance of these discussions, and many boards now spend a significant amount of time discussing ESG issues in their strategy meetings.

Leading instances of ESG concern in Indian corporations include the following:

The diversified miner Vedanta intends to include ESG into all areas of corporate decision-making and performance assessment.

Consumer products manufacturer Marico has included ESG into its top management KRAs.

ESG is a focus for firms in the Tata Group, including Tata Consultancy Services (TCS), Tata Consumer, Tata Power, and Tata Steel. According to their top management, one of the organization's top four business goals is sustainability.

Investors in early-stage venture capital are eager to fund start-ups that actively advance ESG objectives. Welspun, a large manufacturer of textiles, has started a quest to implement a sustainable approach throughout all of its activities. Modern consumers are becoming more selective when it comes to their clothing and textile purchases due to environmental and social issues, which makes firms more aware of whether their ESG criteria are being adequately met.

The Dow Jones Sustainability Index (DJSI), which rates the environmental, social, and governance (ESG) performance of businesses worldwide, includes prominent Indian firms like Tech Mahindra, Infosys, and Wipro. The DJSI firms have historically performed well on the Indian stock exchanges and adhere to ESG best practises. This may be explained by the desire of investors, both institutional and retail, to make investments in businesses that are perceived as being more socially responsible.

Recently, blue-chip companies like TCS and Reliance Industries announced roadmaps for reducing greenhouse gas emissions to zero. Investors appear to have a taste for cutting-edge tools to finance social and environmental initiatives.

How India compares with other countries: India has long taken the lead in requiring ethical commitments from businesses as it was the first nation to mandate corporate social responsibility. However, when it comes to promoting ethical business practices, different nations adopt a variety of strategies and viewpoints.

The Firms Act 2006 (Strategic and Director's Report) Regulations, 2013, dictate that quoted companies in the UK disclose annual greenhouse gas emissions, diversity, and human rights in their reports.

Companies with premium equity share listings in the UK are also required to report on how they implement the core values of the 2012 Corporate Governance Code.

European Union: One of the main EU reporting tools is the 2013 European Commission (EC) Directive on Disclosure of Non-Financial and Diversity Information. It mandates the disclosure of significant environmental, social, and labor-related issues by a select group of large businesses and public-interest organizations.

United States of America: All listed companies are required to disclose their environmental compliance costs under US Securities and Exchange Commission (SEC) regulations. The New York Stock Exchange (NYSE) requires listed companies to adopt and disclose a code of business conduct and ethics as part of another sustainability reporting tool.

China: In total, China has seven rules that serve as tools for required disclosure of sustainability-related information. Corporations are required to disclose environmental information under the Environmental Information Disclosure Act of 2008. To increase your chances of receiving grants and public support, you can voluntarily disclose information about your annual resource usage, pollution levels, waste generation, disposal strategy, and other factors. Large companies listed on the Shanghai Stock Exchange are also required to submit a separate report that includes an environmental disclosure.

Present scenario in investing:

Retail investors, financial product sellers, and financial counsellors frequently place a strong emphasis on returns. However, society today prefers to work with companies that are more mindful of sustainability. The worldwide lending and investing practises already show this. Despite making large profits, a company's standing or significance in the investment horizon could decline if it has a low ESG score and runs the danger of losing capital inflows.

Given how important climate change is, it is evident that businesses that work toward sustainable development should be supported. Investing more money in these businesses is one method to support, promote, and encourage them to contribute to sustainable development. The goal of the current study is to raise investors' awareness of the connection between their investment choices and sustainable development.

Section 2 Theoretical Background

Table 2: 35 Key ESG Issues

3 Pillars	10 Themes	35 ESG Key Issues
Environment	Climate Change	Carbon Emissions, Financing Environmental Impact, Product Carbon Footprint, Climate Change Vulnerability
	Natural Capital	Water Stress, Raw Material Sourcing, Biodiversity And Land Use
	Pollution And Waste	Toxic Emissions And Waste, Packaging Material And Waste, Electronic Waste
	Environmental Opportunities	Opportunities In Clean Tech, Opportunities In Green Building, Opportunities N Renewable Energy
Social	Human Capital	Labor Management, Human Capital Development, Health And Safety, Supply Chain Labor Standards
	Product Liability	Product Safety And Quality, Privacy And Data Security, Chemical Safety, Responsible Investment, Financial Product Safety, Health And Demographic Risk
	Stakeholder Oppositon	Controversial Sourcing, Community Relations
	Social Opportunities	Access To Communications, Access To Finance, Access To Health Care, Opportunities In Nutrition And Health
Governance	Corporate Governance	Ownership And Control Board, Pay Accounting
	Corporate Behavior	Business Ethics, Tax Transparency

(Source: MSCI ESG Handbook)

Section 3 Review of Literature and Identification of Research Gap

The review of literature for the proposed research is performed to understand the basic concepts involving ESG investments and insights of Investor Attitude, Sustainable Investing Behavior during their investments.

3.1 Classification of Literature Review

A broad classification of previous papers is given as follows:

a. Focus of the Paper

- ESG based Investment/ Ethical Investment
- Sustainable Investment/ SRI

- Investor Behavior
- Investor Preferences

b. Context of the Paper

- Indian
- Foreign

c. Type of Data for Analysis

- Quantitative
- Qualitative

d. Research Design

- Exploratory
- Descriptive
- Analytical

Table 3: Synthesis Matrix of Literature Review

	Summary of Literature Review												
S.No.	**Title, Author(s), Year**	**Category**	**Focus Issue**				**Context**		**Data Type**		**Methodology**		
			ESG based Investment/ Ethical	**Sustainable Investment/ SRI**	**Investor Behaviour**	**Investor Preferences**	**Indian**	**Foreign**	**Quantitative**	**Qualitative**	**Exploratory**	**Descriptive**	**Analytical**
1	Can ESG Indices Improve the Enterprises' Stock Market Performance? - An Empirical Study from China, *Xiang Deng and Xiang Cheng*, 2019	Research Article	Y					Y	Y				Y
2	ESG investing: A growing	Report	Y					Y		Y		Y	

	approach to Values-Based Investing, *Linda Kelly*, 2020												
3	Rating the Raters: Evaluating how ESG Rating Agencies Integrate Sustainability Principles, *Elena Escrig-Olmedo, María Ángeles Fernández-Izquierdo , Idoya Ferrero-Ferrero , Juana María Rivera-Lirio and María Jesús Muñoz-Torres*, 2019	Research Article	Y					Y		Y			Y
4	Socially Responsible Investing and Sustainable Development, *Artie W Ng*, 2019	Research Article		Y				Y					
5	The market for socially responsible investing: A review of the developments, *Mark Anthony Camilleri*,	Research Article		Y						Y			
6	Volatility Modeling and Dependence Structure of ESG and Conventiona	Review Paper	Y			Y		Y	Y				Y

	l Investments, *Joanna Górka and Katarzyna Kuziak, 2022*												
7	Sustainable Investment in India, International Fnance Corporation	Issue Brief		Y			Y			Y			
8	Forecasting volatility by integrating financial risk with environmental, social, and governance risk, *Paolo Capelli, Federica Ielasi, Angeloantonio Russo*, 2021	Research Paper	Y					Y	Y			Y	
9	The Sustainability Metrics	Research Paper											
10	Corporate Sustainability Metrics:, Daniel C. Esty, Todd Cort	Research Paper											
11	Green Finance in India: Progress and Challenges, RBI Bulletin	Article		Y			Y		Y			Y	
12	Green Funds and Green Investing: A new Route to Green India, *G.V. Satya Sekhar,*	Research Paper		Y			Y			Y		Y	

13	Integrating Multiple ESG Investors' Preference into Sustainable Investment: A Fuzzy Multcriteria Methodical Approach, *Elena Escrig-Olmedo, Juana María Rivera-Lirio, María Jesús Muñoz-Torres, María Ángeles Fernández-Izquierdo*, 2017	Researc h Paper	Y			Y		Y	Y				Y
14	Exploring Ethical And Sustainable Investing, *iQuintin Rayer, B.Sc (Hons), ARCS, DPhil, CPhys, Chartered FCSI, Chartered Wealth Manager, SIPC,*	Review Paper	Y	Y				Y	Y			Y	
15	The Investor Revolution Shareholder s Are Getting Serious About Sustainabilit y, Robert G. Eccles	Article		Y	Y			Y		Y		Y	

16	Sustainable Investing Principles: Models for Institutional Investors, *Roger Urwin, Watson Wyatt Worldwide and Claire Woods, Oxford University,*	Research Paper		Y	Y	Y		Y		Y		Y	
17	Sustainable Investing Based on Momentum Strategies in Emerging Stock Markets: A Case Study for Bombay Stock Exchange (BSE) of India, *Cristi Spulbar, Abdullah Ejaz, Ramona Birau, Jatin Trivedi*, 2019	Research Article		Y			Y		Y				Y
18	Sustainable Investment: Interrelated among Corporate Governance, Economic Performance and Market Risks Using Investor Preference Approach, *Ming-Lang Tseng, Phan Anh Tan, Shiou-Yun Jeng, Chun-Wei Remen*	Research Article		Y		Y		Y	Y				Y

	Lin,Tamirat Negash, and Susilo Nur Aji Cokro Darsono, 2019												
19	Doing Well by Doing Good: A Systematic Review and Research Agenda for Sustainable Investment, Gaurav Talan and Gagan Deep Sharma, *2019*	Review Paper		Y			Y			Y		Y	
20	The investor that could and would: The effect of proactive personality on sustainable investment choice, *Dieter Vanwallegh em, Agata Mirowska*, 2020	researc h paper		Y	Y			Y		Y		Y	Y
21	Measures for Sustainable Investment Decisions and Business Strategy – A Triple Bottom Line Approach, *Maite Cubas-Díaz and Miguel Ángel Martínez Sedano*, 2017			Y				Y	Y				Y

22	Determinants of individual sustainable investment behavior - A framed field experiment, *Gutsche, Gunnar; Wetzel, Heike; Ziegler, Andreas*, 2020	working paper		Y	Y			Y	Y				Y
23	Inertia And Discounting In The Selection Of Socially Responsible Investments: An Experimental Investigation, *Pat Auger, Timothy M. Devinney, Grahame R. Dowling, Christine Eckert*, 2016	research article		Y	Y			Y		Y			Y
24	Understanding Socially Responsible Investing: The Effect of Decision Frames and Trade-off Options, *Katherina Glac*, 2009			Y	Y			Y		Y			Y
25	Financial performance of socially responsible investing(SRI): what have we learned? A meta-analysis,	review paper		Y				Y					

	Christophe Revelli and Jean-Laurent Viviani, 2014												
26	Preferences for sustainable and responsible equity funds - A choice experiment with Swedish private investors, *C.J. Lagerkvist ∗, A.K. Edenbrandt, I. Tibbelin, Y. Wahlstedt*, 2020	Research Article		Y		Y		Y	Y	Y			Y
27	Sustainable Development and Equity, *Simon Bolwig (Denmark), Yoke Ling Chee (Malaysia), Ying Chen (China), Esteve Corbera (Spain), Franck Lecocq (France), Wolfgang Lutz (IIASA / Austria), Maria Silvia Muylaert (Brazil), Richard B. Norgaard (USA), Chukwumerije Okereke (Nigeria /*	report		Y			Y	Y					

	UK), Ambuj Sagar (USA / India), IPCC Report,												
28	Can Sustainable Investing Save the World? Reviewing the Mechanisms of Investor Impact, *Julian F. Kölbel, Florian Heeb, Falko Paetzold, and Timo Busch*, 2020	researc h article		Y	Y	Y		Y		Y		Y	
29	The Impact of ESG factors on the performance of Information Technology Companies, *Alexandra A.Egorovaa, Sergei V.Grishunin a, Alexander M.Karminsk ya*, 2022	researc h paper	Y					Y		Y			Y
30	Sustainable Investing: Shaping the future of finance, *David Uzsoki*, 2020	report		Y				Y		Y		Y	
31	Sustainable Signals: Individual Investor	report		Y	Y	Y		Y		Y		Y	

	Interest Driven by Impact, Conviction and Choice, *Morgan Stanley Report*												

3.2 Research Gap:

Although previous researchers have provided significant contribution to the field of sustainable finance and sustainable investment, (Alex Nicholls, 2021; Artie W NG, 2019; Mark Anthony Camilleri, 2020; iQuintin Rayer, 2019), these works have not been in the Indian context.

A very few studies have been conducted on sustainable finance in the Indian context (Satya Sekhar G.V. 2020; Cristi Spulbar, Abdullah Ejaz, Ramona Birau, Jatin Trivedi, 2019). A review paper (Gaurav Talan and Gagan Deep Sharma, 2019) on Research Agenda for Sustainable Investing was done.

A working paper was published (Gutsche, Gunnar; Wetzel, Heike; Ziegler, Andreas, 2020) focused on framed field experiment on determinants of sustainable investment behavior of financial decision makers of German households.

Some studies have been done on ESG and its effects on investments in foreign context (Xiang Deng and Xiang Cheng, 2019; Linda Kelly, 2020; Elena Escrig-Olmedo, María Ángeles Fernández-Izquierdo , Idoya Ferrero-Ferrero , Juana María Rivera-Lirio and María Jesús Muñoz-Torres, 2019). Volatility forecasting method was applied in two studies (Joanna Górka and Katarzyna Kuziak, 2022; Paolo Capelli, Federica Ielasi, Angeloantonio Russo, 2021). A stdy was conducted on integrating multiple ESG investors' preference into sustainable investment which used a fuzzy multicriteria methodical approach (Elena Escrig-Olmedo, Juana María Rivera-Lirio, María Jesús Muñoz-Torres, María Ángeles Fernández-Izquierdo, 2017). The impact of ESG factors on IT sector was studied (Alexandra A.Egorovaa, Sergei V.Grishunina, Alexander M.Karminskya, 2022). None of these was in Indian context.

A Morgan Stanley report was published on *Sustainable Signals: Individual Investor Interest Driven by Impact, Conviction and Choice, 2020* focused on investor behavior an preferences of USA.

Two studies based on socially responsible investing were done elaborating what it means and how it performs on returns aspect (Katherina Glac, 2009; Christophe Revelli and Jean-Laurent Viviani, 2014).

Inertia And Discounting In The Selection Of Socially Responsible Investments: An Experimental Investigation (Pat Auger, Timothy M. Devinney, Grahame R. Dowling, Christine Eckert, 2016), study used a structured experimental approach to determine if the decision-making process of investors to invest in SRIs is consistent with the process used for conventional investments.

None of the studies has adopted a control group experiment study in Indian context to explore the relationship between ESG initiatives and investor attitude and how individual investor's values can moderate his sustainable investing behavior. This study is an attempt to create an understanding among investors that only wealth creation should not be the only motive behind investment but investors should also consider the greater good i.e., sustainability before putting their money in some investment options.

Section 4 Conceptual Framework

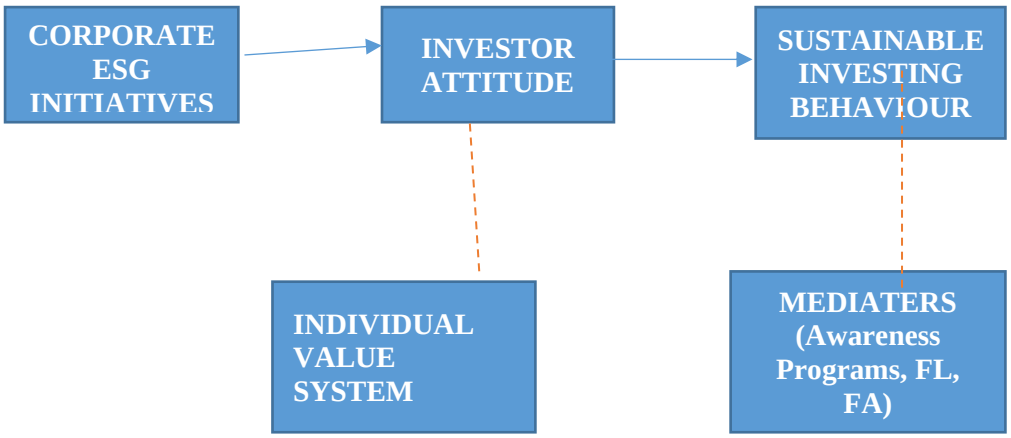

Fig.1 Conceptual Framework, Researcher's own construct

Corporate ESG Initiatives: The ESG, or environmental, social, and governance criteria, assesses a company's performance as a steward of the environment, how it manages its relationships with stakeholders, and how transparent it is in terms of its disclosures and management practises, with an emphasis on moral and ethical leadership.

Retail investors, financial product sellers, and financial counsellors frequently place a strong emphasis on returns. However, society today prefers to work with companies that are more mindful of sustainability. The worldwide lending and investing practises already show this. Despite making large profits, a company's standing or significance in the investment horizon could decline if it has a low ESG score and runs the danger of losing capital inflows.

Some of the ESG Initiatives taken by corporates in recent years are:

A few years ago, Havells completely phased out the usage of the Kr-85 radioactive isotope in their whole CMI (ceramic metal halide) lighting line. Now, no radioactive components are found in any Havells products. The company also has four zero water discharge facilities, two projects for renewable energy (biomass and solar lights), and four projects for resource preservation throughout all of its plants. Among the 12 Indian firms that will be evaluated for their environmental, social, and governance (ESG) performance using the Dow Jones Sustainability Index (DJSI) 2019 are Havells India and Godrej Consumer Products.

Godrej has successfully grown its share of renewable energy to 30%, reduced specific greenhouse gas emissions by 37%, diverted 99.5% of trash from landfills, and decreased specific water consumption by 32%. By FY2025, the company wants all of its packaging to be recyclable, reused, recoverable, or compostable.

P&G introduced Fairy Ocean Plastic bottles, which are 90% post-consumer recycled plastic and 10% ocean plastic. The launch of the fully recyclable bottles was intended to demonstrate what might be done to stop plastic garbage from entering the ocean.

According to the Dow Jones Sustainability Indices (DJSI), UltraTech is one of the top 10 global firms in the industry area "Construction Material." In order to fulfil SDG 13 (the climate change target) based on COP21 of the United Nations Framework Convention on Climate Change, UltraTech has included low carbon strategy into its business plan. Cement is a carbon-intensive sector. The company's energy productivity has significantly increased thanks to initiatives like cooler upgrading, calciner modification, voltage variable frequency drive installation, and burner modification throughout their manufacturing plants.

With the aim of reducing operational impact and promoting biodiversity, Asian Paints launched Project NEW, which focuses on environmentally friendly manufacturing facilities and activities. Project NEW stands for Natural Resource Conservation, Energy and Emission Reduction, and Waste Reduction.

PI Industries has made efforts to communicate the latest scientific advancements in the field of agriculture across its manufacturing locations. It helped improve rice cultivation practice to direct

seeding of rice (DSR) technique across 675,000 hectares of land, therefore conserving 355 billion gallons of water and saving 25-30 per cent irrigation and energy related costs.

For the ninth year in a row, HUL received the top business leadership position in the 2019 Sustainability Leaders Survey (2011-2019). In order to address concerns with poor sanitation, lack of safe drinking water, and lack of personal hygiene, HUL established the Suvidha Center in one of Mumbai's most difficult slums.

The goal of Sundesh, a recognised nonprofit organisation founded by Dabur India, is to develop rural communities.

We will study about how the ESG initiatives incorporated in companies' activities affect the investors' attitude. Does it have any favorable impact or negative impact or none.

Investor Attitude: In psychology, an attitude refers to a set of emotions, beliefs, and behaviors toward a particular object, person, thing, or event. Attitudes are often the result of experience or upbringing, and they can have a powerful influence over behavior. While attitudes are enduring, they can also change. Psychologists define attitudes as a learned tendency to evaluate things in a certain way. This can include evaluations of people, issues, objects, or events. Such evaluations are often positive or negative, but they can also be uncertain at times. Attitudes can also be explicit and implicit. Explicit attitudes are those that we are consciously aware of and that clearly influence our behaviors and beliefs. Implicit attitudes are unconscious but still have an effect on our beliefs and behaviors.

Investor Attitudes are what shape their behavior in the investment arena. The choice of investment avenues, preferences, risk tolerance level etc all are affected by their individual attitudes towards different things.

One of the aims of this research is to explore the factors that determine investor attitude. This will be done through running confirmatory factor analysis responses of the questionnaire filled in by the sample respondents.

Sustainable Investing Behavior:

As it's defined in psychology, behavior is the way a living organism externally reacts in response to its environment. In psychology, behavior consists of an organism's external reactions to its environment.

Behavior may be modified according to positive or negative reinforcements from the organism's environment or according to self-directed intentions.

Sustainable investing behviour means the actual intent and action by the investor to invest in a stock or that is of a company engaged in sustainable practices or following the ESG norms.

In this study we are going to assess the impact of investor attitude on his sustainable investing behavior through regression analysis. Data will be collected through ethnography and questionnaire responses.

Moderators: Individual value systems have been taken as moderators here. A value system refers to the order and priority an individual or society grants to ethical and ideological values. While two individuals or groups may share a set of common values, they may not give equal weight or preference to those values. The two individuals or groups are said to have different value systems, even though they may have many values in common, if their prioritization of values differs, or if there are different exceptions they attach to these values. Groups and individuals who share many values may still wind up in conflict, ideological or physical, with each other, because of the differences in their value systems. People with differing value systems will thus disagree on the rightness or wrongness of certain actions, both in the abstract and in specific circumstances. In essence, a value system is a formalization of a moral code.

Here, we have taken the hypothesis that individual value system acts as a moderator to the investor attitude and furthering this to a sustainable investing behavior. Data will be collected through questionnaire based on Brown, Duane and R. Kelly Crace, 1996, Life Values Inventory.

Mediators: The external factors that mediate and catalyze the investor attitude towards sustainable investing behavior. We have taken three factors for this:

- Awareness programs regarding ESG
- Financial Literacy
- Financial Advisors

We hypothesize that all these affect the investor attitude towards sustainable investing behavior. Data for these will be collected through questionnaire of knowledge, skills, attitude measurement scales.

The hypotheses formed through this conceptual framework is as follows:

H01: Corporate ESG Initiatives impact Investor Attitude

H02: Individual Value System moderates the Investor Attitude for Sustainable Investing Behavior

H03: Investor Attitude affects his Sustainable Investing Behavior

H04: Awareness program mediates the relationship between Investor Attitude and Sustainable Investing Behavior

Section 5 Overview of Proposed Research

5.1. Need of the Study:

Millions of young Indians have started trading stocks during the pandemic, giving rise to optimism that the appetite for stocks in the second-most populous country in the world is finally increasing. According to information from the two main depositories in the nation, the number of active investor accounts increased by a record 10.4 million in 2020. In the third quarter of 2020, retail ownership in more than 1,500 companies listed on the National Stock Exchange of India Ltd. increased to 9%, the highest level since March 2018. The retail investment fervour persisted even after many of the severe restrictions India placed in March were relaxed. In January 2021, Central Depository Services (India) Ltd. opened a record 1.47 million accounts—more than three times as many as in the corresponding month of 2020—and 1.36 million in February.

The mutual fund sector in India has advertised on billboards, social media, and television to small communities. According to data from the Association of Mutual Funds in India, individual equity fund investments increased 16% in February compared to the same month a year earlier. The actions are a part of a larger movement away from conventional tangible assets like gold and real estate as well as bank accounts. In a nation without strong social safety institutions or extensive access to formal finance, rural farmers and the urban working class have long relied on gold as both an insurance policy and a retirement plan. However, millennial Indians are more likely to take chances in the market.

Due to the inflow of novice investors, it is now more important than ever to guide them toward sustainable investing rather than merely money growth. It's crucial to educate the public about sustainable investing methods so that they may choose where and whether to invest depending on their values and current market conditions.

Sustainable investing doesn't always entail giving up financial gains. While returns cannot be guaranteed, ESG funds and investments have the potential to outperform non-ESG funds. The NSE has developed new indexes for small and midcap businesses that are ESG compliant as well as the Nifty

ESG Leaders. There are numerous ESG ETFs and ESG funds that genuinely give investors more sustainable options while also subtly urging businesses to review their ESG activities and implement more sustainable practises into their daily operations in order to be considered.

This research aims to explore the relationship between corporate ESG initiatives and Investor Attitude, and its further impact on Sustainable Investing Behavior of the investors. The individual value system plays the role of a moderator here and awareness programs mediate between the investor attitude and sustainable investing behavior.

5.2 Objectives of the Study: The proposed research is aimed to accomplish the following objectives:

1. To explore the factors determining investor attitude
2. To assess the impact of corporate ESG initiatives on investor attitude
3. To assess the impact of Investor Attitude on his Sustainable Investing Behavior
4. To assess the impact of individual value system on investor attitude towards sustainable investing behavior
5. To assess the impact of awareness programs on investor attitude towards sustainable investing behavior

5.3 Research Methodology

5.3.1 Scope of the Study: The Study is focused identifying the links between behavior of active and informed investors who are involved with investment in financial securities of any kind and how ESG initiatives by corporates impact investor attitude and how their value system impact their sustainable investment behavior.

5.3.2 Data Collection:

Primary Data: The proposed study is based on understanding behavior of investor for sustainable investing. The investors' data in this case would be taken from informed investors in Agra through structured multi segment questionnaires and personal interviews. For experimental study, the pilot study would be done on students of finance afterwards it would be conducted on the sample of active informed investors.

Likert scale would be used and Questionnaires would be based on below categories:

- Investor attitude regarding risk tolerance, the investment alternatives, money attitude, goals of their investment (construct on basis of literature review)
- Values in life (Brown, Duane and R. Kelly Crace, 1996, Life Values Inventory)
- Awareness about sustainable finance and ESG
- Actions by companies that affect their investment decisions

Ethnography: Ethnography is a tool for primary data collection. Ethnography is a study in which researchers directly observe and/or interact with a study's participants in their real life/ natural environment. This research provides an in-depth insight into the user's views. For this, various customers of brokers in Agra will be visited personally to understand the drive behind their investment and how they could be promoted towards sustainable investments. Then afterwards the change in their behavior after giving knowledge about sustainable development and investments will be recorded.

Secondary Data: Annual Reports of various companies nowadays contain the steps they have been taking towards sustainable development. ESG reports and ratings of companies listed in Indian Stock Markets could be found from MSCI and Sustainalytics.

5.3.3 Research Design: The proposed research is **control group experiment** study where the aim is to study a group of informed and active investors. Statistical tests given in tools for data analysis table are to be applied for testing hypotheses and achieving research objectives.

5.3.4 Sampling Technique: Purposive sampling method is proposed to be applied for this research.

5.3.5 Sample Size: The population of target respondents for this study are academicians, informed investors, finance professionals, anyone who has knowledge about investments and finance. The population size is more than 50,000, so we will use the sample size formula to determine the suitable representative sample size:

$$Necessary\ Sample\ Size = (Z\text{-}score)^2 * StdDev*(1\text{-}StdDev) / (margin\ of\ error)^2$$

Z Score = 1.645 (at 90% confidence level)

Std Dev = 0.5

Margin of Error = 5%

Therefore, Sample Size = $(1.645)^2 * 0.5 * (1\text{-}0.5) / (0.05)^2 = 270.6$

Hence, the sample size is of 271 respondents.

5.3.6 Tools for Data Analysis: Following table reveals the specific objectives and tools proposed to be used for achieving them.

Table 4: Tools for Data Analysis:

S.No.	Objective	Tools for Data Analysis
1	To explore the factors determining investor attitude	Confirmatory Factor Analysis
2	To assess the impact of corporate ESG initiatives on investor attitude	Experimental Study
3	To assess the impact of Investor Attitude on his Sustainable Investing Behavior	Regression Analysis
4	To assess the impact of individual value system on investor attitude towards sustainable investing behavior	Smart PLS
5	To assess the impact of awareness programs on investor attitude towards sustainable investing behavior	Smart PLS

5.3.7 Phases of Study (proposed):

Phase 1: Identifying active and informed investors study and gathering data of their attitude regarding investing and awareness about sustainability

In this phase, the researcher will identify investors who are actively involved in stock market investments or any other alternative investment options and approach them for being ready to be a part of this study. The researcher will use structured questionnaires and in depth interviews to get to know the exact drivers behind investment, their knowledge and awareness about ESG norms and sustainability. Their values in life and concerns about the environment, what is beyond their investment goals. Their cognitive and emotional biases affecting investments.

Phase 2: Finding out factors determining investor attitude and relationship between ESG initiatives and investor attitude:

Confirmatory Factor analysis will be used to find the factors that determine the investor attitude. An experimental model would be prepared to explore the relationship between ESG Initiatives and Investor Attitudes.

Phase 3: Assessment of moderators and mediators on investor attitude and sustainable investing behavior: The moderator- value system and the mediators- awareness programs, financial literacy,

financial advisors; both these variables would be studied and relationships with investor attitude and sustainable investing behavior would be explored.

Phase 4: Validating the developed model: In this phase the model developed through this study, that is, the investor attitude impacted by ESG Initiatives and moderated and mediated by individual value systems and chosen mediators will be validated.

Section 6 Proposed Chapterization

The proposed research will contain the following chapters:

- Chapter 1: Introduction
- Chapter 2: Review of literature
- Chapter 3: Research design and methodology
- Chapter 4: Data collection and analysis
- Chapter 5: Results and interpretations
- Chapter 6: Conclusion, Managerial implications, and direction for future research
- Bibliography and references
- Appendix

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